

Welcome to...



2003 – 2004 Funding Round B-2

NOFA August 15, 2003

Multifamily Housing Program
Supportive Housing



NOFA Overview

Multifamily Housing Program
Supportive Housing



2003 – 2004 Funding Round B- 2

NOFA August 15, 2003

Multifamily Housing
Program

Supportive Housing



Supportive Housing NOFA Overview

■ Introduction

- Funding available for the development of rental housing containing permanent supportive housing units under the Multifamily Housing Program (MHP).
- Under a separate “General” NOFA, MHP funds are currently being offered for projects that do not include supportive housing units

Supportive Housing NOFA Overview

■ Program Summary

□ Funding Available

- Approximately \$25 million of MHP Supportive Housing Funds
- Other MHP Funds sufficient to fully fund mixed projects until the \$25 million announced in this NOFA is exhausted.
- Approximately \$5 million for Non residential Space for Supportive Services
- \$7,000,000 per project limit plus funds awarded for Non residential Space for Supportive Services



Supportive Housing NOFA Overview

■ Program Summary

□ Applicants may apply for funding under this NOFA for:

- projects containing Supportive Housing units only;
or
- projects containing Supportive Housing and Non Supportive Housing units (mixed projects).

Supportive Housing NOFA Overview

■ Program Summary (Definitions)

- **“Supportive Housing units”** means units offered as permanent housing linked to supportive services where occupancy is restricted to households that both (1) are homeless or at risk of homelessness and (2) include a disabled adult.
- **“Non-Supportive Housing units”** means other housing units, including Special Needs Population units, in a development where at least 35 percent of the units are Supportive Housing units.



Supportive Housing NOFA Overview

■ Program Summary (Definitions)

- **“Special Needs Population” units** are units restricted to certain groups, as described in Section 7301(s) of the MHP regulations, that may not meet all of the qualifications required to occupy Supportive Housing Units, but who still need services linked to their housing, such as disabled households who are not homeless.

Supportive Housing NOFA Overview

■ Program Summary

- Applicants may apply for funding under this NOFA for a special set-aside of MHP funds for Nonresidential Space for Supportive Services:
 - Applies to both “mixed” projects and projects consisting entirely of Supportive Housing units
 - The Nonresidential Space for Supportive Services must be for the delivery of services directly related to the housing assisted by the requested MHP funds.



Supportive Housing NOFA Overview

Eligible Projects

- ☐ Projects funded under this NOFA must contain Supportive Housing units, equal to the greater of five units or 35 percent of the total project units.
- ☐ Supportive Housing units must be restricted to households with incomes at 60 percent area median income (AMI) or less.
- ☐ Supportive Housing units must be used for permanent housing only.



Supportive Housing NOFA Overview

Households Eligible for Supportive Housing Units

- Households must be homeless or at-risk of homelessness, and include a disabled adult.
- A disabled adult is an adult with a qualifying disability. Qualifying disabilities are:
 - Mental illness; or
 - HIV or AIDS; or
 - Substance abuse; or

Supportive Housing NOFA Overview

Qualifying disabilities (cont)

- Other chronic health condition, meaning an individual or household having:
 - a disability as defined in Section 223 of the Social Security Act (42 USC 423), or
 - a physical, mental, or emotional impairment which (i) is expected to be of long-continued and indefinite duration, (ii) substantially impedes an individual's ability to live independently, and (iii) is of such a nature that such ability could be improved by more suitable housing conditions; or
- Developmental disability.



Supportive Housing NOFA Overview

Eligible Use of Funds

- Program funds may not be used for the cost of supportive services, although the cost of on-site supportive services coordination may be treated as a project operating cost, payable from operating income



Supportive Housing NOFA Overview

Additional Project Requirements

- ☐ Projects are ineligible if construction has commenced prior to the MHP award date, or if the project is already fully funded.
- ☐ Projects must meet MHP underwriting standards described in the MHP Application Presentation that follows.
- ☐ Projects receiving nine percent tax credits are ineligible



Overview of Proposed Changes to the MHP Regulations



Proposed MHP Regulation Changes

Why two sets of regulations for MHP?

Customer comments

HCD staff working group

Uniform rules for MHP, HOME & JSJFHG

Regulations apply to Supportive Housing



Proposed MHP Regulation Changes

**Proposed rulemaking documents are
available at
<http://www.hcd.ca.gov/ca/>**

New regs. projected effective by 10/1/03

“UMR” or “Uniform” (CCR Title 25, 8300...)

MHP-specific Regulations (CCR 25, 7300...)



Proposed MHP Regulation Changes

Definition for Special Needs Populations

removed ‘households enrolled in welfare-to-work’ category

Definition for Rental Housing Development

clarified “scattered site” project definition



Proposed MHP Regulation Changes

Affordability benchmark (State Median Income)

**express income limits in terms of Area
Median Income**

**rent & income limits for MHP's assisted units
labeled MHP 'A', MHP 'B' and MHP 'C'**

3 charts to be annually published on Web



Proposed MHP Regulation Changes

Site control

**options to purchase or lease shall extend
through the anticipated date of the MHP
award**



Proposed MHP Regulation Changes

Operating reserves

MHP-required operating reserves must be capitalized

MHP cannot fund operating reserves in excess of MHP's required amount



Proposed MHP Regulation Changes

Over-income households

- **Rent increases are required for substantially over-income households**
- **Rent increases are allowed for incrementally over-income households**



Proposed MHP Regulation Changes

Rent standards

Added a provision for “vacancy de-control”

Removed the cap on annual rent increases

**HCD may permit a supplemental rent
increase in extraordinary circumstances**



Proposed MHP Regulation Changes

Market studies

**clarified by referencing the 2/02 TCAC
Guidelines that HCD will apply**



Proposed MHP Regulation Changes

Leverage of other funds for scoring

**scale for awarding points was modified
points awarded at a lower ratio of leveraged
funds**

**the new range for awarding points starts at
100% and maximizes at 300%**



Proposed MHP Regulation Changes

Readiness

**Clarified that other HCD funds must be
awarded prior to MHP final rating and
ranking**

Proposed MHP Regulation Changes

New scoring category added

10 points (all or none) for:

- adaptive reuse or
- infill projects or
- those proximate to MHP amenities (as determined by TCAC) or within one mile of a Job Center



Proposed MHP Regulation Changes

“Tiebreaker” added

for selecting projects with equal scores

**“tiebreaker” is a measure of average project
affordability**



Proposed MHP Regulation Changes

Restrictions on Demolition

- The “no demolition that reduces bedroom count” rule applies to:
 - projects w/ new construction when there is demolition of existing Units



Proposed MHP Regulation Changes

Tenant selection requirements

- local residency preferences permitted only with an equal local employment preference
- note that local residency requirements are still prohibited



Proposed MHP Regulation Changes

Operating reserves

funded from development funding sources

**clarified that re-funding has first priority on
cash flow**

only for TCAC projects:

**minimum initial deposit to equal three (3)
months of operating expenses, reserve
deposits and debt service**



Proposed MHP Regulation Changes

Underwriting standards

**5% residential vacancy rate for
special needs populations**

**removed the exception to the 50%
commercial vacancy rate**



Proposed MHP Regulation Changes

Underwriting standards, con't.

first year DSCR min 1.10 max 1.20

**clarified requirement of positive cash flow for
first 15 years using TCAC trending
assumptions**

**HCD must approve balloon payments on
junior debt**



Proposed MHP Regulation Changes

Underwriting standards, con't.

**New construction annual replacement
reserve calculation is the lesser of 0.6%
of construction costs or \$800 per unit**



Proposed MHP Regulation Changes

Limits on development costs

land cost must be supported by an appraisal

clarified that excessive site development
costs are prohibited



Proposed MHP Regulation Changes

Developer Fee for LIHTC projects

**total (incl. deferred, if any) can't exceed the
lesser of \$1.2 mil. or the amount
includable in eligible tax credit basis**

**amount not deferred is limited based on unit
count and construction scope (per
schedule which is increased to \$20,000
for the first 30 units)**

use TCAC definition of term “Developer Fee”



Proposed MHP Regulation Changes

Developer Fee for non-LIHTC projects

**total developer fee for non-LIHTC projects is
limited per the schedule**

**eliminated separate fee schedule for
HUD 811 and 202 projects**

Proposed MHP Regulation Changes

Developer Fee Schedule

New construction and substantial rehab:

- for first 30 units, \$20,000/unit**
- for units in excess of 30, \$7,500/unit**

Acquisition & rehab valued @ \$7,500-\$25,000/unit

- for first 30 units, \$9,000/unit**
- for units in excess of 30, \$4,500/unit**

All other projects

- \$2,000/unit**



Proposed MHP Regulation Changes

Priority use of surplus cash flow

**reserves must be fully funded; then
deferred developer fee and asset or
partnership management fees; then**

**50% to borrower and 50% to HCD / public
lenders**

**eliminated the per unit annual distribution
limit of cash flow**



Proposed MHP Regulation Changes

**Standardized policy on subordination and
subordination agreements**

Standardized ground lease policy

**includes minimum of 90-year remaining
lease term with a provision for HCD to
consider a 65-year term if the lessor is a
public agency**



Overview of Proposed Changes to the MHP Regulations

Conclusion of discussion on
highlighted changes to the
MHP Regulations



Application Process

Multifamily Housing Program
Supportive Housing

Supportive Housing Application Process

■ Application Submittal

- ☐ Applications for this funding round will be considered on an “**over-the-counter**” basis until available funds are exhausted.
- ☐ Applications will be accepted beginning at 8:00 A.M., Pacific Daylight Time, on September 15, 2003 and continue until 5:00 P.M., Pacific Daylight Time, June 30, 2004; or
- ☐ Until such time before June 30, 2004 that the Department has received what it determines to be a sufficient number of applications to reasonably use all funds currently available.

Supportive Housing Application Process

■ Application Review by Department

- Applications will be reviewed in the order in which they are received.
- The Department will endeavor to complete an initial staff review within 15 working days after receipt of the application. The initial staff review will include determinations of completeness, threshold eligibility issues, and initial point scores.
- Qualifying projects will then move forward into a feasibility review. Qualified projects, successfully passing all reviews will be scheduled for presentation to HCD's Local Assistance Loan and Grant Committee (the "Committee") each month beginning in December 2003.
- The Department will endeavor to schedule all recommended applications for presentation before the Committee within 60 days after receipt of the last item required for review. The Department's date stamp on the last item required to complete the review will be used to determine the order in which applications are presented to the Committee.

Supportive Housing Application Process

■ Department Notice of Exhausted Funds

- The Department will give notice on the Department's website when a sufficient number of applications have been received to exhaust the Supportive Housing funds offered under this NOFA.
- Applications will not be accepted after such notice.
- Any applications received prior to the notice that are deemed eligible for funding will be prioritized based on the Department's date and time stamp for the completed application.
- When the \$25 million in Supportive Housing funds has been exhausted, any remaining applications may be returned to the sponsor for submittal in a future funding round.
- The Department reserves the right to award more than \$25 million under this NOFA if necessary to fully fund the last approved project.



Supportive Housing Application Process

- Non-Residential Space for Supportive Services Funds
 - Nonresidential Space for Supportive Services funds will be awarded to projects in the order that they are approved by the Department, not in the order that they are received or deemed complete.
 - It is possible that these funds will be exhausted while Supportive Housing funds remain available

Supportive Housing Application Process

□ **Optional Pre-application/Technical Assistance**

- A pre-application is not required and is an option for those Sponsors that would like to obtain technical assistance prior to the submittal of a complete application.
- The optional pre-application will provide a means for the Department to provide project-specific technical assistance prior to the submittal of a complete application
- The Department will review and evaluate the pre-applications for sponsor and project eligibility, site control, development experience, financial feasibility, and establish a preliminary point score for the project.
- A complete application must be submitted before full evaluation and scheduling the project for presentation to the HCD Loan and Grant Committee.



Application Overview

Multifamily Housing Program
Supportive Housing



Application Changes

- In Microsoft Excel Format
 - Easier to Use
- Instructions Up Front
- Checklist includes Attachments
- Eligibility Criteria Combined in one Section



MHP Application

Multifamily Housing Program
Supportive Housing



General Instructions

page 3

- Submitting the Application
- Applications for this funding round will be considered on an “**over-the-counter**” basis.
- Disclosure Information



Section A

Item A 1

page11

- Index and Checklist

- ☐ Use to check that all required documentation has been included in the application.

Item A 2

page 14

■ Eligibility Criteria

- ☐ Must meet the definition of a Supportive Housing Project, as defined in the NOFA.
- ☐ Development Sources are insufficient.
- ☐ Construction has NOT commenced.
- ☐ Application is complete.



Eligibility (cont.)

- ☐ Project site is free from environmental conditions that are infeasible to correct.
- ☐ Site is reasonably accessible.
- ☐ The number of Assisted units must equal the number of Restricted units to the extent allowed by the requirements of Article 34 of the California Constitution.



Eligibility (cont.)

■ Relocation Requirements

- ☐ Sponsor must comply with relocation requirements set forth in Section 7315 of the MHP Regulations.
- ☐ Submit a Relocation Plan or Preliminary Relocation Plan, and budget which identifies the source of funds for relocation.



Eligibility (cont.)

- Sponsor Experience Threshold
- Sponsor must demonstrate experience relevant to developing and owning one affordable housing project.

Sponsor Eligibility (cont.)

- Two methods for demonstrating experience:
 - Primary Method
 - Project Sponsor can demonstrate development and ownership experience based on organizational or staff experience.

Sponsor Eligibility (cont.)

■ Alternative Method

- Supportive Housing (SH) Projects or SH and Special Needs Population Projects (SNP) Projects.
 - Proposed project must contain at least 70% SH units or 70% SH and SNP units.
 - Sponsor has written contract for Development Services.
 - Sponsor may substitute ownership experience with operating experience.
 - Project Sponsors using the Alternative Method for Demonstrating Threshold Eligibility must complete the tables provides in the Application.



Eligibility (cont.)

- Site Control

- Must be in the name of the Sponsor, or an entity controlled by the Sponsor.

Item A3

■ Narrative

- ☐ Type of Development
- ☐ Development Experience of Sponsor
- ☐ Target population
- ☐ Any specific issues related to the project
- ☐ Describe the ultimate form of ownership organization and roles.
- ☐ Status of land and how it will be held at completion.
- ☐ Describe neighborhood



Items A4 and A5

- Applicant Certification (form) – page 19
- No Defaults Statement (form) – page 20
- Person signing must be authorized as indicated in the Resolution (Item B11).



Section B



Items B1 and B2

- Project Description Form (pages 22-25)
- Sponsor Information Form (pages 26-27)



Item B3

- Insert a B3 tab in application. Do NOT re-number the application items.



Item B4

- Relocation Plan, or Preliminary Relocation Plan
- Relocation Budget
 - Budgeted relocation expenses must be included in the Development Budget (Item C8).



Item B5

- Narrative of any Tenant Selection Criteria.
- If available, attach the Tenant Selection Plan.
 - In accordance with UMR Section 8305.



Item B6

- Organizational Documents
 - ☐ Sponsor
 - ☐ Co-Sponsor
 - ☐ Ultimate Borrower (if available)



Item B7

- Identities of Interest Disclosure

- ☐ Narrative

- ☐ Identify any persons or entities that will provide goods or services in more than one capacity.

- Use TCAC's definition of a "Related Party" (Section 10302 of the TCAC Regulations).



Item B8

- Narrative description of your organization's experience relevant to owning and developing affordable rental housing.



Item B9

■ Site Control

- ☐ Provide a copy of the Grant Deed, Enforceable Option to Purchase, Long-term Lease, or other documentation that shows site control.

- UMR Section 8303



Item B10

- Current Preliminary (Title) Report
 - ☐ Not more than 6 months old
 - ☐ If site control is by contract or lease, the conveying party must hold title to the property.

Item B11

Sample Resolutions start on page 28

■ Governing Board Resolution

- ☐ Samples provided in the application
- ☐ Must name person(s) authorized to sign on behalf of the Sponsoring entity.
 - Must name person who signed Items A4 and A5.



Item B12

- List of names of officers and board members of the Sponsor's governing body.



Item B13

- Phase I and Phase II Environmental Site Assessments.
 - ☐ Do NOT include the Database Records Search section of the report.
- Asbestos and/or Lead Based Paint Reports
- Information on any completed mitigation.



Item B14

- Parcel Map
- Scaled Distance Map
 - ☐ Include site amenities
 - ☐ Amenities relative to the needs of Special Needs populations



Item B15

- Evidence of compliance with Article 34 of the State Constitution.
 - ☐ Copy of documents showing Article 34 authority exists for this project; or,
 - ☐ Legal opinion letter explaining why Article 34 is not applicable to this project.



Supportive Housing Project Plan

Supportive Housing Projects

- Item B16 – Supportive Housing Project Plan Checklist



Item B16

Supportive Housing Project Plan Checklist

- Complete and attach Supportive Housing Project Plan Checklist
 - ☐ Part 1. Populations to be Served
 - ☐ Part 2. Supportive Services Plan
 - ☐ Part 3. Supportive Services Budget



Item B16

Supportive Housing Project Plan Checklist

- ☐ Part 4. Project Sponsor and Service Provider Experience
- ☐ Part 5. Property Management Experience

Supportive Housing Projects

- Item B17 – Supportive Housing Project Plan



Supportive Housing Projects

- Item B17 – Supportive Housing Project Plan
 - Part 1. Population to be Served



Item B17

Supportive Housing Project Plan

Part 1 Section 1. Eligible Households – Complete Table

- Total project units
- Manager's Unit (if applicable)
- Total Units less manager's unit
- Number of Supportive Housing Units
- Number of Special Needs Populations Units
- Total Supportive Housing and Special Needs Units
- Percentage of Supportive Housing Units
- Percentage of Special Needs Populations Units
- Percentage of Supportive housing and Special Needs Populations Units



Item B17

Supportive Housing Project Plan

Part 1 Section 2

- ☐ Target Population Checklist
- ☐ Indicate the Target population that project will serve in Supportive Housing Units and in any Special Needs Units

Part 1 Section 3

- ☐ Tenant Selection Criteria
 - Tenant Selection Chart – List each target population including service needs and referral source(s)
 - Tenant Selection Narrative – Provide narrative describing tenant selection criteria



Supportive Housing Projects

- Item B17 – Supportive Housing Project Plan
 - Part 2. Supportive Services Plan



Item B17

Supportive Housing Project Plan

PART 2, Section 1

- ☐ Verification from Appropriate Public or Nonprofit Funding Agency
- ☐ Agency shall be knowledgeable of the supportive service needs of the Targeted Population
- ☐ Agency shall endorse the Project Sponsor as a known provider of Support Services similar to those proposed
- ☐ Use Attached Supportive Service Verification Form

Item B 17

Part 2 Section 1

Supportive Services Verification from the Appropriate Public or Non-Profit Funding Agency Form

To the project sponsor: Complete the project sponsor, service provider, project, and target population information sections below. Then submit this form along with a copy of the Supportive Housing or Special Needs Population Project Plan contained in the application, to the appropriate public or non-profit funding agency (e.g. for the chronically mentally ill – the County Department of Mental Health) knowledgeable of the supportive services needs of the targeted population(s). Submission of this form shall constitute certification by the sponsor that a true copy of the Supportive Housing or Special Needs Project Plan submitted in the application has been submitted to the funding agency named below. The form may be submitted to more than one agency or department if necessary.

PROJECT SPONSOR:

SERVICE PROVIDER:

PROJECT NAME:

PROJECT ADDRESS/SITE:

PROJECT CITY:

PROJECT COUNTY:

TARGET POPULATION(S):

To the public or non-profit funding agency: The project sponsor named above is submitting an application to the State Department of Housing and Community Development (HCD) requesting funding for the project named above under the Multifamily Housing Program (MHP). The application for MHP funding is subject to HCD's determination that the project qualifies as a Supportive Housing or Special Needs Population Project. The findings of your agency will be considered in the review process. Please review the attached copy of the Supportive Housing or Special Needs Population Project Plan, note your findings in the chart below, and complete the signature block below the chart. Please attach comments for any "no" and as otherwise necessary. Your cooperation is appreciated.

	Yes	No
We have reviewed the Supportive Housing or Special Needs Project Plan submitted for the project named above.		
To the best knowledge of this funding agency, there are no known conditions that would preclude the service provider from making accessible, the services proposed in the Supportive Housing or Special Needs Project Plan.		
The services proposed in the Supportive Housing or Special Needs Project Plan are appropriate to meet the needs of the target population(s) named above.		
The project sponsor or service provider is a known provider of support services similar to those being proposed.		

Dated: _____

Statement Completed by (please print): _____

Signature: _____

Title: _____

Agency or Department: _____

Agency or Department Address: _____

Agency or Department Phone: _____



Item B17

Supportive Housing Project Plan

PART 2, Section 2

Supportive Services Chart

- List each Supportive Service separately
- Population to be Served
- Narrative Describing the Service
- Name Service Provider
- Relationship to Sponsor
- Type of Agreement (i.e. MOU, letter of commitment, verbal agreement)
- Service Location – on or off Project site



Item B17

Supportive Housing Project Plan

PART 2, Section 3

Services Delivery Chart

- List each Staff Position separately
- Describe the roles and duties of each position
- Indicate percentage of full-time staff devote to project
- Name the employer organization of the position
- Location of where work will be performed



Item B17

Supportive Housing Project Plan

PART 2, Section 3b

Staffing Level Chart

- Indicate staffing level by completing calculation:
 - Total Supportive Housing and Special Needs Units
 - Total FTE Support Service Staff
 - Number of Supportive Housing and Special Needs Population Units per FTE Staff Person
- **If Staffing level differs from industry practice (10 -15 households per staff for intensive services or 15 - 25 households per staff for less service intensive), provide a narrative explanation.**



Item B17

Supportive Housing Project Plan

PART 2, Section 4

- **Tenant Engagement**
 - Provide narrative of tenant engagement plan – how Sponsor will elicit tenant participation

PART 2, Section 5

- **Collaboration**
 - Section 5A – Provide Collaborative Relationship Narrative Description
 - Section 5B – Provide Collaborative Relationship Documentation – Contract, MOU or Letter of Intent



Supportive Housing Projects

- Item B17 – Supportive Housing Project Plan
 - Part 3. Supportive Services Budget



Item B17

Supportive Housing Project Plan

PART 3, SECTION 1

- Preliminary Line Item Supportive Services Budget
- Use Table Format in Application



SUPPORTIVE SERVICES BUDGET TABLE

Source Include the name and address of the agency organization along with a contact name and telephone number.	Amount	Type of Assistance (Funds, Services, Etc.)	Status of Commitment (committed or not committed)	Percentage of Total Budget

Total Supportive Services Budget Amount	\$x,xxxx
--	-----------------



SUPPORTIVE SERVICES BUDGET TABLE

Expense Items.	Amount	Type (Cash or in-kind)	Status (committed, intent to fund or provide, or not committed)	Percentage of Total Budget

Total Expenses	\$x,xxxx
-----------------------	-----------------



Item B17

Supportive Housing Project Plan

PART 3, Section 2

Supportive Services Cost Per unit

- Indicate supportive services cost per unit by completing calculation:
 - Total Supportive Housing and Special Needs Units
 - Total Supportive Services Costs
 - Total Supportive Service Costs per Unit
- If supportive services cost per unit differs from industry practice (\$5,000 - \$10,000 per unit), provide narrative explanation



Item B17

Supportive Housing Project Plan

PART 3, Section 3

Funding and Service Commitments

- A Minimum of 25% of total Services Budget must be committed
- For Letters of Commitment or Intent to Fund provide the following on organization letterhead:
 - Project name
 - Description of services to be funded or provided
 - Value of funds or in kind services
 - Term of funding or service provision
 - History of organization providing funds or services



Supportive Housing Projects

- Item B17 – Supportive Housing Project Plan
 - Part 4. Project Sponsor and Service Provider Experience



Item B17

Supportive Housing Project Plan

PART 4, Section 1

Project Sponsor Experience Table

- Document 24 months experience in ownership or operation of one special needs or supportive housing project
- Submit table formatted and containing the information shown

Project Sponsor Experience Table

Project Provide the name and address of the project	Number of Units Contained in the Project	Ownership or Operation Term Provide the beginning and end dates of ownership or operation	Population(s) Served List each special needs population served	Service Provider Provide contact name, address, and telephone number if the provider is other than the sponsor	References Provide at one reference able to verify the role of the sponsor in the project submitted for experience. Include the organization name and contact name, title, and telephone number.
--	---	--	---	---	---



Item B17

Supportive Housing Project Plan

PART 4, Section 2

Service Provider Experience

- Document 24 months experience in providing services to at least one of the targeted populations
- Complete Table 2A formatted and containing the information shown



Service Provider Experience Chart

Table 2A

Proposed Service Provider: _____

Number of Years Provider Has Been Providing Support Services to the Target Population

Name of Program/ Project	Population Served	Service Type/ Description of Provided	Beginning and end dates Services provided	Number of Unduplicated Clients Served annually	Name and Phone Number of Person Who can Provide a Reference Regarding the Services Provided



Item B17

Supportive Housing Project Plan

PART 4, Section 2B

Service Funding History Table

- Document the funding history of the qualifying service provider
- Document a history of securing supportive service funding
- Provider will be able to access funds from the programs that fund the services identified in the Supportive Services Plan
- List only funding obtained in last 5 Years

Funding History for: **(Name of Service Provider)**

Source of Funds Include Reference name and telephone number	Use of Funds	Amount of Funds	Award Date and Funding Term	Population(s) Served



Supportive Housing Projects

- Item B17 – Supportive Housing Project Plan

- Part 5. Property Management Experience



Item B17

Supportive Housing Project Plan

PART 5, Section 1

Property Management Experience

- Property manager must have 24 months experience managing a supportive housing or special needs housing project of 5 or more dwelling units
- Complete and submit table provided



Property Management Experience Chart

Proposed Property Manager: _____

Project Name and Address	Number of Units in Project	Special Need(s) Population(s)	Services provided	Date Property Management Began and Ended	Contact name and Telephone Project Owner/ Operator



Item B17

Supportive Housing Project Plan

PART 5, Section 2

- **Where Sponsor is contracting for Property management services:**
 - Provide copy of the management contract
 - Provide letter of interest from proposed Property Manager



Section C

Feasibility



Items C1 and C2

- Item C1 – page 48
 - Local Approvals and Zoning/Land Use form
- Item C2 – page 49
 - Development Timetable

PERMANENT FINANCING	
Total Project Cost (Including Nonresidential Supportive Services Space Costs)	\$0
Less Net Syndication Proceeds/Investor Equity	\$0
Less Additional Owner/General Partner Equity	\$0
TOTAL ESTIMATED FINANCING NEED	\$0
Less Supportable Conventional or Bond Debt Financing	\$0
Less "Soft" Financing and Grants	\$0
Less Amount of Nonresidential Supportive Services Space funds applied for	\$0
FUNDING GAP =	\$0

Item C4

page 51

A	B	C	D
AMI Level	Per Unit Loan Limit for Efficiency Unit	# of Restricted Efficiency Units	Total Allowed for Efficiency Units (B x C)
60%			0
55%			0
50%			0
45%			0
40%			0
35%			0
30%			0
MHP Level			
A			0
B			0
C			0

A	B	C	D
AMI Level	Per Unit Loan Limit for Efficiency Unit	# of Restricted Efficiency Units	Total Allowed for Efficiency Units (B x C)
60%			0
55%			0
50%	44,261	5	231,305
45%			0
40%			0
35%			0
30%			0
MHP Level			
A	58,377	4	233,508
B			0
C			0

Shared Cost Calculation Worksheet

- Projects containing 100% Restricted units enter the total development cost on line A.
- Projects with Market Rate units or Commercial Space must calculate the shared cost pursuant to Section 7304 (c) of the MHP Regulations.

MHP Loan Amount Calculation Worksheet

- Calculates the loan limit based on the lesser of the previous three worksheets.
- Add Non-residential Space for Supportive Services funds requested.

Project Financing

- List all sources of funding for both construction and permanent financing.
- MUST attach enforceable commitments to receive points on **Scoring Sheet D 7**.



Enforceable Commitments

- Must contain all of the following components:
 - ☐ Sponsor or ultimate owner is named as borrower;
 - ☐ Project name;
 - ☐ Site address, parcel number or legal description;
 - ☐ Amount of funds, interest rate and terms; and
 - ☐ Must be executed by all parties.

Development Budget

- ❑ Replaces the 3 page Sources and Uses form of previous applications.

Item C 9 – Unit Mix and Income Information

- **This is a two page form that identifies all income derived from the housing development. The table on the first page shows the unit mix and income levels of the households residing in the project. The rents for restricted units may not exceed 60% AMI.**
- **References:**
 - **MHP 2003 Maximum Rent Table that shows the AMI and MHP A, B, and C rents per County (obtain on MHP Website- <http://www.hcd.ca.gov>) (Revised 9/3/03)**
 - **Public Housing Authority Letter that verifies the utility allowances for the geographic area (Item C 21).**

Item C.9 – Unit Mix and Income Information

(A) # of Bedrooms	(B) # of Units	(C) Proposed Monthly Rent (Less Utilities)	(D) Total Monthly Rents (B x C)	(E) Monthly Utility Allowance	(F) Monthly Rent Plus Utilities (C + E)	(G) % of Area Median Income or MHP Level (A, B or C)	(H) Designate as SH if Supportive Housing or SNP if Special Needs Population Units *
Restricted Units							
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
Total # Units	0	Total Mo. Rents	\$0				

Multifamily Housing Program

2003

Maximum Rents*

County		Efficiency	1 BR	2 BR	3 BR	4+ BR
LOS ANGELES						
100% Income Level		\$986	\$1,056	\$1,270	\$1,466	\$1,634
60% Income Level		\$592	\$634	\$762	\$879	\$981
55% Income Level		\$543	\$581	\$698	\$806	\$899
50% Income Level		\$493	\$528	\$635	\$733	\$817
45% Income Level		\$444	\$475	\$571	\$659	\$735
40% Income	(MHP A)	\$395	\$423	\$508	\$586	\$654
35% Income	(MHP B)	\$345	\$370	\$444	\$513	\$572
30% Income Level		\$296	\$317	\$381	\$439	\$490
25% Income	(MHP C)	\$246	\$264	\$317	\$366	\$408
20% Income Level		\$197	\$211	\$254	\$293	\$327
15% Income Level		\$148	\$158	\$190	\$219	\$245

Item C 9 – Unit Mix and Income Information

(Los Angeles County)

(A) # of Bedrooms	(B) # of Units	(C) Proposed Monthly Rent (Less Utilities)	(D) Total Monthly Rents (B x C)	(E) Monthly Utility Allowance	(F) Monthly Rent Plus Utilities (C + E)	(G) % of Area Median Income or MHP Level (A, B or C)	(H) Designate as SH if Supportive Housing or SNP if Special Needs Population Units *
Restricted Units							
2	4	\$400	\$1,600	\$44	\$444	MHP B	SH
2	3	\$591	\$1,773	\$44	\$635	50% AMI	
3	2	\$300	\$600	\$66	\$366	MHP C	SH
3	2	\$300	\$600	\$66	\$366	MHP C	SNP
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
			\$0		\$0		
Total # Units	11	Total Mo. Rents	\$4,573				



Item C 9 – Unit Mix and Income Information

The table on the second page shows the Income Information from non-residential sources:

- ☐ **Subsidy income**
- ☐ **Miscellaneous income (laundry, vending machines, interest, or other income)**
- ☐ **Commercial income**
- ☐ **Monthly residential utility allowance**

UNIT MIX AND INCOME INFORMATION

Rental Subsidy Income/Operating Subsidy, if any:

(Attach a copy of any rent subsidy contract)

Number of Units Receiving Assistance _____
 Length of Contract (years) _____
 Expiration Date of Contract _____

TOTAL PROJECTED ANNUAL RENTAL SUBSIDY _____

Miscellaneous Income:

Annual Income from Laundry Facilities _____
 Annual Income from Vending Machines _____
 Annual Interest Income _____
 Other Annual Income (Specify) _____

TOTAL MISCELLANEOUS INCOME _____ \$0

TOTAL ANNUAL POTENTIAL GROSS INCOME _____ \$0
 (From Residential Sources)

Commercial Income:

Annual Income from Professional Space _____
 Annual Income from Commercial Space _____

TOTAL ANNUAL COMMERCIAL INCOME _____ \$0

Monthly Resident Utility Allowance by Unit Size (utility allowances must be itemized and correlated with the most current PHA utility allowance schedule).

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	() Bedroom
Space Heating						
Water Heating						
Cooking						
Lighting						
Other (Specify)						
TOTALS	\$0	\$0	\$0	\$0	\$0	\$0

Name of PHA Providing Utility Allowances: _____



Item C 9 – Mistakes to Avoid

- **Incorrect rent for the AMI or MHP income designation.**
- **AMI or MHP income designations do not match with loan limit calculation (Item C3)**
- **Utility allowance is not current (Item C21).**
- **The utility allowances were not factored into the monthly rent calculation.**

Item C 10 – First Year Operating Budget and Cash Flow Analysis

- **Data used for determining the Operating Budget and Projected Cash Flow is derived from previously completed formats in Items C7 to Item C9.**
- **Table Includes:**
 - ☐ **all sources of income.**
 - ☐ **Operating Expenses (OE) associated with the project. Includes the major categories for general administrative, management fee, utilities, payroll/payroll taxes, maintenance, and other.**
 - ☐ **Reserve Deposits**
 - ☐ **Required Debt Service.**
- **Calculates Available Cash Flow**

	Annual	Avg. P/U/Y	Avg. P/U/M	Percent of Gross Income
INCOME:				
Tenant Payments [or Underwriting Rents pursuant to <i>Section 7312 of the MHP Regulations</i>]		#DIV/0!	#DIV/0!	#DIV/0!
Rent Subsidy (SPECIFY)		#DIV/0!	#DIV/0!	#DIV/0!
Commercial Income (50% of total)		#DIV/0!	#DIV/0!	#DIV/0!
Other Income - (SPECIFY)		#DIV/0!	#DIV/0!	#DIV/0!
GROSS SCHEDULED INCOME	\$0	#DIV/0!	#DIV/0!	#DIV/0!
LESS:				
Vacancy Rate @ <u>5%</u>	\$0	#DIV/0!	#DIV/0!	#DIV/0!
EFFECTIVE GROSS INCOME	\$0	#DIV/0!	#DIV/0!	#DIV/0!
EXPENSES:				
General Administrative		#DIV/0!	#DIV/0!	#DIV/0!
Management Fee		#DIV/0!	#DIV/0!	#DIV/0!
Utilities		#DIV/0!	#DIV/0!	#DIV/0!
Payroll / Payroll Taxes		#DIV/0!	#DIV/0!	#DIV/0!
Insurance		#DIV/0!	#DIV/0!	#DIV/0!
Maintenance		#DIV/0!	#DIV/0!	#DIV/0!
Water/Sewer		#DIV/0!	#DIV/0!	#DIV/0!
Other: (SPECIFY)		#DIV/0!	#DIV/0!	#DIV/0!
Other: (SPECIFY)		#DIV/0!	#DIV/0!	#DIV/0!
Operating Expenses without property taxes and On-Site Service Coordinator	\$0	#DIV/0!	#DIV/0!	#DIV/0!
Cost of On-Site Service Coordinator		#DIV/0!	#DIV/0!	#DIV/0!
Commercial Expenses		#DIV/0!	#DIV/0!	#DIV/0!
Property Taxes and Assessments		#DIV/0!	#DIV/0!	#DIV/0!
Replacement Reserve Deposits		#DIV/0!	#DIV/0!	#DIV/0!
Operating Reserve Deposits		#DIV/0!	#DIV/0!	#DIV/0!
Other Reserves: (SPECIFY) _____		#DIV/0!	#DIV/0!	#DIV/0!
Total Operating Expenses and Reserve Deposits	\$0	#DIV/0!	#DIV/0!	#DIV/0!
NET OPERATING INCOME	\$0	#DIV/0!	#DIV/0!	#DIV/0!



Item C 10 – Underwriting Issue

Total OE (not including property taxes and the cost of the on-site services coordinator) shall not be less than those listed in TCAC regulations, Title 4 CCR, Section 10327. HCD may allow lower OE when warranted by the experience of comparable projects.



Item C 11

15- Year Pro Forma

- **Shows the projections for income, expenses, deposits to reserve accounts, and debt service for the housing project for a 15-year trending period. The information is a summary of the formats previously completed from Item C9 to Item C10.**


15-Year Pro Forma

Project: _____

15 Year Cash Flow	Growth					
	Factor	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Income	2.5%		\$0	\$0	\$0	\$0
Rent Subsidy	2.5%		\$0	\$0	\$0	\$0
Other Income (SPECIFY)	2.5%		\$0	\$0	\$0	\$0
Gross Scheduled Income		\$0	\$0	\$0	\$0	\$0
Vacancy Loss	5.0%	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$0	\$0	\$0	\$0	\$0
Operating Expenses ¹	3.5%		\$0	\$0	\$0	\$0
Property Taxes	2.0%		\$0	\$0	\$0	\$0
On-Site Service Coordinator	3.5%		\$0	\$0	\$0	\$0
Replacement Reserve						
Operating Reserve						
Other Reserves						
Total OE and Reserves		\$0	\$0	\$0	\$0	\$0
Net Operating Income		\$0	\$0	\$0	\$0	\$0
First Lender			\$0	\$0	\$0	\$0
MHP (.42% Annual)			\$0	\$0	\$0	\$0
Other (SPECIFY) _____			\$0	\$0	\$0	\$0
Total Debt Service		\$0	\$0	\$0	\$0	\$0
AVAILABLE CASH FLOW		\$0	\$0	\$0	\$0	\$0
Debt Service Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Notes:

¹ Operating Expenses and Reserves must be in accordance with UMR Sections 8308, 8309 and 8310.



MHP Underwriting Standards (UMR Section 8310)

- **5% Vacancy Rate Factor**
- **50% Vacancy Rate – Commercial**
- **Operating Expenses (OE) – per TCAC
Regulations, Title 4, CCR, Section 10327**

MHP Underwriting Standards (cont.)

■ Replacement Reserve (RR)

- ☐ **New Construction: .6% of estimated construction costs associated with structures.**
- ☐ **At the time of application, the Department may use a preliminary estimate of the annual RR deposit of \$800 per unit.**
- ☐ **Rehabilitation: Determined by the Department based upon a third party Physical Needs Assessment (PNA).**
 - Must be performed in accordance with HCD PNA Guidelines**
 - PNA Consultant requires advance approval by HCD**

MHP Underwriting Standards (cont.)

■ Operating Reserve (OR)

- ☐ **Shall be funded by Development Sources unless all funding sources are legally precluded from funding OR. OR then allowed to be funded out of project cash flow.**
- ☐ **Not less than 4 months of projected Operating Expenses, 4 months Replacement Reserves and 4 months of non-contingent debt service.**
- ☐ **For Tax Credit projects, not less than 3 months of projected Operating Expenses, 3 months Replacement Reserves and 3 months of non-contingent debt service.**

Operating Reserve Calculation

Example

- **New Construction Project in an urbanized area, 100 units for families, Sponsor intends to capitalize the amount in the Total Development Costs Budget:**

Facts:

- Annual OE –\$350,000
- Annual RR –\$42,500
- Annual DS – \$90,000
- Step 1: Total of above = \$482,500
divided by 12 months = \$40,208 per month
- Step 2: \$40,208 x 4 months = \$160,832 amount shown in Sources and Uses – Capitalized Operating Reserve

MHP Underwriting Standards (cont.)

- **Variable interest rate loans are considered at ceiling rate.**
- **All mandatory debt service must be supported by project cash flow.**
- **Mandatory MHP .42% payment will be considered debt service.**
- **Debt Service Coverage Ratio (DSCR)**
 - **Minimum of 1.10:1 for the first year**
 - **No greater than 1.20:1 for the first year**

Allowable Developer Fee Calculation

UMR Section 8312

Assumptions: 100 unit project (new construction)

99 units are restricted; 1 manager unit*

- ☐ **For first 30 restricted units, \$20,000 per unit:**

$$30 \text{ times } \$20,000 = \$600,000$$

- ☐ **For each restricted unit in excess of 30, \$7,500 per unit**

$$70 \text{ times } \$7,500 = \$525,000$$

- ☒ **Total Developer Fee payable from funding sources:**

$$\$600,000 \text{ plus } \$525,000 = \$1,125,000$$

- * For purposes of calculating the Developer Fee payable from funding sources, the manager's unit is considered a restricted unit**

Max MHP Developer Fee Paid from "funding sources" =	\$ 1,125,000
Amount of Capital Contribution of Funds or Real Property = ***	\$ 50,000
Actual Amount of Developer Fee Paid from "Funding Sources" = ***	\$ 950,000
Maximum Allowable MHP Developer Fee =	\$ 1,175,000
Amount of Developer Fee Included In Eligible Basis for LIHTC Projects (total fee limited to amount included in basis up to a maximum of 1,2 million) = ***	\$ 1,200,000
Amount of Deferred Developer Fee =	\$ 250,000

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Cash Flow			\$ 50,238	\$ 55,319	\$ 60,447	\$ 65,618	\$ 70,832	\$ 76,086
Current Regulations								
Payment for Approved Deferred Fee		\$ 250,000	\$ 50,238	\$ 55,319	\$ 60,447	\$ 65,618	\$ 18,378	\$ -
Total Deferred Developer Fee Paid			\$ 50,238	\$ 105,557	\$ 166,004	\$ 231,622	\$ 250,000	\$ 250,000
Asset Management Fee (Max \$12,000)		\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Remaining Cash Flow Subject to Distribution			\$ -	\$ -	\$ -	\$ -	\$ 42,454	\$ 66,086
Spomsor Distribution			\$ -	\$ -	\$ -	\$ -	\$ 21,227	\$ 33,043
Residual Receipt Payments			\$ -	\$ -	\$ -	\$ -	\$ 21,227	\$ 33,043



Item C 11 – Mistakes to Avoid

- **Project Income derive from rents and other income is incomplete and does not agree with data in Item C9.**
- **OE are not consistent with TCAC regulations and MHP regulations.**
- **OE does not match with data in Item C10.**
- **Incorrect underwriting assumptions and criteria; not consistent with MHP requirements.**
- **DSCR does not meet 1.10:1 minimum in year one or exceeds 1.20.1 in year one.**



Item C 12 – Supportive Services Coordinator

- For Non-special needs populations projects. **Not Applicable for Supportive Housing Projects**



Item C 13 – Budgeted Costs Estimate

- Provide a budget cost estimate based on the table provided in the Application
- Cost must be based on prevailing wages.
- Provide the name, phone number and qualifications of the person who prepared the estimate.



Item C 14 – Appraisal and Market Study

- An Appraisal is required to support the value of the Land shown in the Development Budget prior to loan closing.
- Provide an appraisal ONLY if needed to support the value of a land donation for Leverage Scoring (Item D 6)
- Provide a Market Study ONLY if using scoring option 'D', in Item D 3.



Item C 15

Planning Approvals

- Provide copies of planning approvals, such as variances, conditional use permits, density bonuses, restrictions or easements that effect or restrict the property.



Item C 16 - Resumes

Contractor & Architect Resumes

- ☐ If available, provide copies of Resumes or Statements of Qualifications for the project contractor and architect with a description of all previous participation.



Item C 17

- Copies of Schematic Drawings

- ☐ Site Plans


- ☐ Floor Plans

- ☐ Building Elevation



Item C 18 – Rehabilitation Projects Only

- Description of current condition of structure(s).
- Proposed modifications.
- Copies of any available consultants reports (Capital Needs Assessment, Physical Needs Assessment, Reserve Study, Feasibility Study).



Item C 18 – Rehabilitation Projects Only

NOTE: For all projects involving rehabilitation of existing structures, regardless of the extent of the planned construction work, the Department requires the completion of a Physical Needs Assessment by a qualified independent third party contractor, prior to start of construction.



Item C 18 – Rehabilitation Projects Only

The PNA should be performed as early as possible in the development process.

- The MHP Program has Physical Needs Assessment Guidelines and a “Model Contract Addendum”, which provides language that should be used in whole or with only minor modifications as an attachment to, and be part of, the contract for services between the Sponsor and Contractor.
- Sponsor should submit the contract and addendum to the Department for review and approval prior to the commencement of work by the Contractor.



Item C 19 – Rehabilitation Projects Only

■ Detailed Scope of Work

- ☐ Line item estimate
- ☐ Name, phone number and qualification of the person who prepared the estimate and the method used to determine the figures.



Item C 20 – Rehabilitation Projects Only

Rent Roll

■ Current Rent Roll

- ☐ Tenant income
- ☐ Household size
- ☐ Submit by unit



Item C 21 – Utility Allowance

- **Letter from the local Housing Authority; or**
- **Print information directly from the Housing Authority's official website. (Materials printed from the web must have a date on the printout).**
- **Indicate which components of the schedule are applicable to the project units.**



Item C 22

Letter Submitted to Legislative Body

- Provide a copy of the letter that was submitted to the Legislative Body of the local government in which the project site is located, informing them about your MHP application.



Section D

Rating and Ranking

Items D1 and D2 - Correction

	Total Number of Restricted Units in the Project (do not include the manager's unit, unless it is Restricted)			A	
Project must remain consistent with unit standards in UMR <i>Section 8304</i> .					
B	C	D	E	F	
Restricted Units Designated for Households with Incomes of	Number of Restricted Units in this Category	% Of Total Restricted Units in this Category (C divided by A)	Scoring Factor	Points Awarded (D X E)	



Item D1 and Item D2

pages 63 & 64

Extent Project Serves Households at the Lowest Income Levels

- Item D1 is used for Projects located in the counties that are listed on Item D1
- All other counties use Item D2
- 35 Points Maximum
- Count each Unit only once

Total Number of Restricted Units in the Project (do not include the manager's unit, unless it is Restricted)					A
					25
B	C	D	E	F	
Restricted Units Designated for Households with Incomes of	Number of Restricted Units in this Category	% Of Total Restricted Units in this Category (C divided by A)	Scoring Factor	Points Awarded (E X F)	
MHP Level A or less	2	8.00%	0.75	6.00	
MHP Level B or less	4	16.00%	1.0	16.00	
MHP Level C or less	2	8.00%	1.5	12.00	
(Adjusted) not to Exceed 10% of Total Restricted Units					
MHP Level C or less	0	0.00%	1.0	0.00	
(Adjusted # in Excess of 10% of Total Restricted Units					
	Total Column G for Point Award (Maximum 35)			34	



Item D3


page 65

**Extent Project Addresses the Most
Serious Identified Local Housing
Need**

■ **15 Points Maximum**

Part A(1)

- Five points awarded based on attachment of:
 - ☐ A letter from the City or County in which project is located
 - ☐ Signed by proper authority
 - ☐ Includes ALL of the following four components...

- 
- Local housing need identified in the local housing policy document.
 - Specifies the need.
 - Specifies the policy document.
 - Housing element, consolidated plan, etc.
 - Statement that this project addresses the specified need.
 - References the subject property specifically.



Item D3

Part A(2)

- For projects with a minimum of 70% Special Needs Units.
 - ☐ A letter from the department of local government responsible for the delivery of supportive services
 - States the project addresses a serious local housing need as it relates to Special Needs Populations.

Item D3 (cont.)

- Choose one of the options B, C or D.
- Option B
 - ☐ Ten points awarded if:
 - At least 70% of the units are reserved for Special Needs Populations.
 - OR
 - At least 70% of the units have 2 or more bedrooms and the project is in one of the listed counties.

■ Option C

- Either 5 or 10 points awarded based on Comparable Market Rental Data.
- Use **Attachment to Scoring Sheet D3** (page 67) for Option C.
 - 5 points for weighted vacancy rate at least 3% but less than or equal to 5%
 - 10 points for weighted vacancy rate less than 3%.

Item D3 (cont.)

- Option D
- Either 5 or 10 points awarded based on the vacancy rate as determined by a market study performed by a qualified third party (attach as **Item C14**).
 - 5 points if the weighted vacancy rate is at least 3% but less than or equal to 5%.
 - 10 points if the vacancy rate is less than 3%.



Item D4

page 68

Development and Ownership Experience of the Project Sponsor

- Four points per developed and completed project.
- Up to a maximum of 20 points



Item D4 – Primary Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

■ Qualifying Projects

- ☐ Contain **10 or more** Units.
- ☐ Completed **within 5 years** of the application due date.
- ☐ Bedrooms within single-family houses and apartments **do not count**.



Item D4 – Primary Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

- One exception to the unit count of qualifying completed projects.
 - Proposed Project contains **less than 15** units; and,
 - At least **70% of the total units** in the proposed project is reserved for Special Needs Populations.



Item D4 – Primary Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

- If your project qualifies for the exception, you may count completed projects with 5 or more units. (Bedrooms in single family houses or apartments still not eligible)



Item D4 – Primary Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

■ Who may qualify for experience?

- ☐ The Project Sponsor
- ☐ An Affiliate of Sponsor under common control
- ☐ A Partner, if the partner has controlling interest in the partnership and continued role in the on-going operations.



Item D4 – Primary Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

- ☐ Staff or principal if that person will be the Project Manager with comprehensive responsibilities for the development of the proposed project
- Relationship of affiliates, partners, etc., must be evidenced in the organizational documents submitted as **Item B6**.



Item D4 – Primary Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

■ Forms Needed to Document Experience

☐ Attachment to Scoring Sheet 3A or 3B
(page 70)

And

☐ Scoring Sheet 3A (page 71)



Item D4

Development and Ownership Experience of the Project Sponsor

■ **Alternate Scoring Method**

- For Sponsors of proposed projects with at least 70% of the units reserved for Special Needs Populations



Item D4 – Alternate Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

- Sponsors **MUST** contract with a developer or development consultant when using this method.
- Sponsor may substitute operation experience for ownership experience where the responsibilities of operation are commensurate with ownership.



Item D4 – Alternate Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

- The development experience of the contracted developer or development consultant will be counted.
- The criteria for a qualifying project for development experience is the same as the Primary Scoring Method.



Item D4 – Alternate Scoring Method

Development and Ownership Experience of the Project Sponsor (cont.)

■ Forms and documentation needed:

- ☐ Attachment to Scoring Sheet 3A or 3B
(page 70)

And

- ☐ Scoring Sheet 3B (page 72)

And

- ☐ Attachment to Scoring Sheet 3B when using operating experience (page 73)
 - Narrative description of roles and responsibilities of Project Sponsor for each project listed.**



Item D4 –

Development and Ownership Experience of the Project Sponsor (cont.)

■ Obtaining Points

- 4 points awarded for each qualified project (20 point maximum)**

■ Primary Scoring Method

- Total points for each qualified project.**



Item D4 –

Development and Ownership Experience of the Project Sponsor (cont.)

■ Alternate Scoring Method

□ The lesser of:

- Points awarded for Operation/Ownership of Sponsor; or
- Points awarded for development experience of the developer or development consultant.



Item D5

page 74

Percentage of Units for Families, SH or SNP, or “At-Risk” Rental Housing

- 35 Points Maximum
- Based on percentage of units that are:
 - ☐ 2 or more bedrooms; or
 - ☐ Reserved for Special Needs Populations
 - Must have a minimum of 5 units for SH or SNP; or



Item D5

Percentage of Units for Families, SH or SNP, or
“At-Risk” Rental Housing (cont.)

- ☐ Project is “At-Risk of Conversion”
 - Sponsors **MUST** complete and submit the *Attachment* to **Item D5 (page 75)**.
 - Attach supporting documentation to **Item D5**.

				A
Total Number of Project Units (Including the manager's unit).....				0
B	C	D	E	F
Unit Size or Designation	Number of Units in this Category	% Of Total Project Units in this Category (C divided by A)	Scoring factor	Points Awarded (D x E)
2 Bedroom	0	#DIV/0!	0.2	#DIV/0!
3+ Bedroom	0	#DIV/0!	0.7	#DIV/0!
Units Reserved for SH or SNP	0	#DIV/0!	1.0	#DIV/0!
Enter thirty-five (35) points here if the project is an “At-risk”				
Total Point Award (maximum 35)				#DIV/0!
Units may not be included in both multiple bedroom and SNP categories				

				A
Total Number of Project Units (Including the manager's unit).....				25
B	C	D	E	F
Unit Size or Designation	Number of Units in this Category	% Of Total Project Units in this Category (C divided by A)	Scoring factor	Points Awarded (D x E)
2 Bedroom	10	40.00%	0.2	8
3+ Bedroom	5	20.00%	0.7	14
Units Reserved for SH or SNP	10	40.00%	1.0	40
Enter thirty-five (35) points here if the project is an “At-risk”				
Total Point Award (maximum 35)				35
Units may not be included in both multiple bedroom and SNP categories				

Leverage of Other Funds

- Based on development costs attributable to the Restricted Units (MHP eligible costs)
 - Exclude costs of Non-residential Space for Supportive Services (NSSS) if you are requesting NSSS funds.

Leverage of Other Funds (cont.)

■ Include as Leverage:

- ☐ All Permanent Funding Sources

- ☐ Land Donations

- Must have current appraisal (**Attach as Item C14**)

■ Do not count as leverage:

- ☐ Deferred Developer Fees

- ☐ Funding associated with Non-residential
Space for Supportive Services

Permanent Non MHP Funding Amount (Exclude NSSS funding)	% of Total Non-MHP Funding Amount Attributable to Restricted Units *	Dollar Amount of Permanent Non- MHP Funds Attributable to Restricted Units (A X B)
\$8,500,000	100%	\$8,500,000

* From Item C 5, Shared Cost Calculation Worksheet, enter Percentage from line C, or enter percentage result of commercial calculation if applicable.

D. MHP Funds Requested (Not including NSSS funds applied for)	\$3,000,000
--	--------------------

Point Award		
SH with at least 35% SH units	(calculation method)	20
SH with 75% or more SH units	(calculation method)	20



Item D7

page 79

Project Readiness

- Maximum 15 points
- 6 scoring categories
 - 2.5 points per category

Project Readiness (cont.)

■ Point Category A

- ☐ Enforceable commitments for ALL construction financing, except:
 - Tax exempt bond
 - 4% tax credits
- ☐ Funding from other Department programs must be committed prior to final rating and ranking of MHP applications.

Project Readiness (cont.)

- Documenting Point Category A
- Attach copies of all commitments to **Item C7**
 - See **page 7** for the requirements of enforceable commitments.

Project Readiness (cont.)

- Point Category B
- Deferred-payment financing, grants and subsidies committed.
 - Same exceptions as TCAC
 - See **page 7** for requirements

Project Readiness (cont.)

- **Documenting Point Category B**
 - Attach copies of all commitments to **Item C7.**

Project Readiness (cont.)

- Point Category C
 - 1. All necessary environmental clearances (CEQA and NEPA); and
 - 2. Completion of the Phase I Environmental Site Assessment

Project Readiness (cont.)

■ Documenting Point Category C

- Document **part 1** with the Attachment to Item D7; ***Local Jurisdiction Verification of Project Readiness*** (page 80).
- Document **part 2** by attaching a copy of the Phase I Environmental Site Assessment in **Item B15**.

Project Readiness (cont.)

■ Point Category D

- ☐ Local design review approval to the extent such approval is required.

■ Point Category E

- ☐ All Necessary and discretionary public land use approvals

Project Readiness (cont.)

- Documenting Point Categories D and E
 - Use Attachment to Item D7 ***Local Jurisdiction Verification of Project Readiness*** (page 80).

Project Readiness (cont.)

■ Point Category F

- ☐ 1. Sponsor has fee title ownership or a long-term leasehold meeting the Department's leasehold requirement; or,
- ☐ 2. Sponsor can demonstrate that the working drawing are at least 50% complete.

Project Readiness (cont.)

- Documenting Point Category F, Part 1:
 - ☐ Document fee title by attaching a Preliminary (Title) Report (PTR) in **Item B10; or**
 - ☐ Document a leasehold by attaching a copy of the lease in **Item B9** and the PTR in **Item B10.**

Project Readiness (cont.)

- Documenting Point Category F,
Part 2:
 - Attach to **Item D7** a letter from the project the working drawings are at least 50% complete.



Item D8

page 81

Adaptive Reuse, Infill or Proximity to Site Amenity

- Not applicable to Supportive Housing Projects unless it is a mixed use project.



Item D8

page 81

Adaptive Reuse, Infill or Proximity to Site Amenity

- 10 Points
- Sponsors will receive either 10 points, or zero points in this category.
- Not applicable to Supportive Housing Projects.

Adaptive Reuse, Infill or Proximity to Site Amenity

- Choose any one of the three categories:
 - ☐ Infill Development
 - ☐ Adaptive Reuse
 - ☐ Proximity to Site Amenity

- Check the appropriate box

Adaptive Reuse, Infill or Proximity to Site Amenity (cont.)

■ Documenting Item D8

■ Infill Development

- ☐ Narrative describing the project and area. Must confirm that the project will be located on vacant or soon to be vacant property in an established and developed area.
- ☐ Attach a scaled distance map in **Item B14**

Adaptive Reuse, Infill or Proximity to Site Amenity
Documentation (cont.)

■ **Adaptive Reuse**

- ☐ Attach a narrative describing the project and area. Must confirm that project will consist of the rehabilitation of a vacant or under used commercial or industrial building.
- ☐ Attach a scaled distance map in **Item B14.**

Adaptive Reuse, Infill or Proximity to Site Amenity
Documentation (cont.)

■ Proximity to Site Amenity

- ☐ Attach a narrative naming and describing the site amenity selected for point consideration. Specify the exact distance from the project site to the amenity.
- ☐ Attach a scaled distance map in **Item B14.**



Item D9

page 82

Negative Point Calculation

- For information purposes only.
- Completed by Department Staff.
- Maximum 50 Negative Points.



Section E

Nonresidential Space for
Supportive Services



Item E1

Nonresidential Space for Supportive Services

Information Form

- Complete and attach all sections of the form provided in this section if requesting Nonresidential Space for Supportive Services (NSSS) funds.
 - Location of NSSS
 - Services to be Provided in the NSSS
 - NSSS Development Budget



Program Goals

The Goal of this program is to invest in projects that enhance and improve the lives of the residents by creating nonresidential space for the provision of supportive services



Supportive Services

These services should be:

- flexible,

- enrich the residents' quality of life,
- maximize independence,

- provide greater life stability,

- provide opportunities to improve personal economic status; and,

- meet the specific supportive service needs of the residents of MHP projects



Eligible Projects

- The Project must receive an award under this rounds MHP General 2003-04 NOFA or the MHP-Supportive Services 2003-04 NOFA
- The Supportive Services Space must be located within, or immediately proximate to a project to be funded under MHP.
- Immediately proximate is adjacent to the project site or directly across the street.



Award Amounts

- Awards are limited to the lesser of \$25,000 per Restricted Unit or \$500,000 per project.
- Funding will be in an amount that is in addition to any applicable MHP per-unit or project loan limits



Project Selection Criteria

- Awards will be made to the highest scoring fundable MHP projects in rank order (above the funding cutoff), and in Supportive Housing Projects until the available Supportive Services Space funds are exhausted in each fund pool.
- Funding for the Supportive Services Space will not be considered in the leverage scoring calculation



Services That May Be Offered in NSSS

- services identified in the approved Supportive Housing/Special Needs Population Project Plan;
- health services;
- childcare;
- computer rooms enhancing vocational or job training;
- education;
- case management;
- after school educational programs; or
- job training.



Space Ineligible for NSSS Funding

- community rooms;
- general commercial or retail space;
- general purposes space;
- community kitchens;
- sponsor or supportive services provider's administrative offices;
- playgrounds; and
- other uses not specifically serving the needs of the Special Needs Population served by the project.



Supportive Space Information Form

- Location- In The Same Building or Not?
- Services to be Provided
- Identification of Service Provider(s)
- Space Development Cost
 - ☐ Construction Cost
 - ☐ Furniture Fixtures and Equipment
 - ☐ Total Development Cost



Supportive Space Information Form

- Funds Requested
- Other Sources of Funds (if any)
- Source of Construction Financing
- What are you going to do if the NSSS are not available?



Section F

Summary Documents



Section F: Summary Sheets

F1, F2, F3, F4, F5

Provide information requested on these Summary Sheets that has not been incorporated from previously supplied information.

2003-2004 Round 2-B

August 15, 2003

Distribution & Collection
of Workshop Evaluation
Forms

2003-2004 Round 2-B

August 15, 2003

Questions & Answers